

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF RIVERSIDE - CENTRAL

MICHAEL GRISSOM Sole Proprietor doing
Business as American Family Auto,

Plaintiff,

vs.

No. RIC475298

DEALER SERVICES CORPORATION, a
Delaware corporation; BOSCH KIA, a
Nevada Corporation dba, FONTANA
BOSCH AUTO CENTER INC., DIAL FINANCE;
CLAUDIA PONCE, an individual; ROSA D.
MACIAS, an individual; ALFRED KING,
an individual; CARLOS BOSCH, an
individual; MARK WHITE, an individual;
and DOES 1 through 100, inclusive,

Defendants.

DEPOSITION OF JOHN WICK

Santa Ana, California

Friday, February 25, 2011

Reported by: ANGELA METZ

CSR No. 12454

1 255. It is the "Demand Promissory Note and Security
2 Agreement" and the related documents.

3 MR. NORMANDIN: Do you have a copy for me?

4 MR. CHAPMAN: I'm following your example.

01:01 5 (Plaintiff's Exhibit 6 was marked
6 for identification.)

7 BY MR. CHAPMAN:

8 Q Mr. Wick, you drafted this document?

9 A I did.

01:01 10 Q And when did you draft the original of
11 this -- this is a form -- or these are a set of
12 forms that are used at DSC; correct?

13 A Not the current forms, but at the time
14 that -- that American Family executed the documents,
01:01 15 they were the current forms.

16 Q And when did you create the forms that were
17 signed by American Family?

18 A Between March, 2005, and probably had them
19 finished by June, 2005, because we began lending in
01:02 20 the first part of July, 2005.

21 Q And prior to American Family Auto signing
22 those forms, how many of those forms would you
23 estimate have been used by DSC?

24 A I don't know what number they were in order
01:02 25 of signing up.

1 little as three to four days and perhaps a week, and
2 then beyond -- the follow-up training would be, you
3 know, any ad hoc training that would be put together
4 in the field in a region as the regional vice
01:05 5 president or regional director, as the title was
6 changed, would coordinate.

7 Q And who did the training -- the
8 orientation -- was that back at Indiana?

9 A Yes.

01:06 10 Q And who did that training?

11 A It would depend on what the topic is. I
12 would cover the legal training, meaning, this is --
13 these are the documents that we use. This is a
14 note. This is what a UCC is. This is what a
01:06 15 Purchase Money Security Interest Notice is. This is
16 why we use them. This is what UCC does so they
17 would understand the documents when they were asked
18 questions.

19 Q When you did the training, how much of the
01:06 20 three-to-four-days or week-long training was your
21 portion on the documents?

22 A I would usually spend two to three hours
23 with them.

24 Q Okay. And did you have any written
01:06 25 materials that you used to make your presentation?

1 us.

2 So it's -- it's not an impediment to
3 loaning money if there's inventory liens already on
4 the borrower. It's just additional work to do to
01:21 5 make sure that the advances that we're funding we're
6 going to be senior on.

7 BY MR. CHAPMAN:

8 Q And when you say -- the definition for
9 "advance" in the Promissory Note, essentially,
01:22 10 that -- that is a loan?

11 A It is. There's -- and -- and you have to
12 trace through the different definitions, obviously,
13 but an "advance" means we have taken our money and
14 either given it to the debtor or a third party on
01:22 15 their behalf, and it's a liability under the Note.

16 So you can imagine the easiest advances be
17 the purchases at the auctions. The dealer wants the
18 car. They don't have the money. They request that
19 we give them a credit advance. And we advance money
01:22 20 on their behalf to the auction.

21 The lot check fees, \$75, that's a liability
22 under the Note, and while it's not necessarily --
23 we're not necessarily advancing money on their
24 behalf, we are paying an audit company to do that,
01:22 25 and that is a liability that shows up in an account